

MINUTE ITEM

This Calendar Item No. C40 was approved as Minute Item No. 40 by the California State Lands Commission by a vote of 3 to 0 at its 06/26/06 meeting.

CALENDAR ITEM

C40

A 5

06/26/06

S 4

PRC 8415.1

T. Lipscomb

AMENDMENT OF GENERAL LEASE – RIGHT OF WAY USE AND APPROVAL OF AN AGREEMENT AND CONSENT TO ENCUMBER LEASE

LESSEE/APPLICANT:

Wickland Pipelines, a Limited Liability Company
3610 American River Drive, Suite 140
Sacramento, CA 95864

SECURED PARTY LENDER:

Comerica Bank
Middle Market Lending, MC 433
455 Capitol Mall, Suite 300
Sacramento, CA 95814

AREA, LAND TYPE, AND LOCATION:

0.16 acres, more or less, of tide and submerged lands in the Sacramento River, in the city of West Sacramento and the city of Sacramento, Yolo and Sacramento counties.

AUTHORIZED USE:

Continued use and maintenance of a 12-inch diameter jet fuel pipeline.

LEASE TERM:

20 years, beginning October 1, 2002.

CONSIDERATION:

\$156 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

PROPOSED AMENDMENT:

Modify the existing land description to conform with the actual as-built location. All other terms and conditions of the lease shall remain in effect without amendment.

CALENDAR ITEM NO. **C40** (CONT'D)

OTHER PERTINENT INFORMATION:

1. On October 1, 2002, the Commission approved the issuance of a General Lease - Right of Way Use, Lease No. PRC 8415.1, to Wickland Pipelines for the construction, use, and maintenance of a 12-inch diameter jet fuel pipeline. Wickland Pipelines is now requesting that the original land description be modified to conform to the actual as-built location of the pipeline as it crosses under the Sacramento River between Sacramento and Yolo counties.
2. Wickland Pipelines is also requesting the approval of the Commission to encumber the Lease, with a first deed of trust securing permanent financing in a principal amount not to exceed \$6,000,000. The permanent financing will replace the construction loan Wickland Pipelines utilized for the construction of the Sacramento International Airport jet fuel pipeline.
3. The pipeline was last inspected by the California State Fire Marshal Office of Pipeline Safety, on August 25, 2005, no violations were reported.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378.

EXHIBITS:

- A. Site and Location Map
- B. Land Description

CALENDAR ITEM NO. **C40** (CONT'D)

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

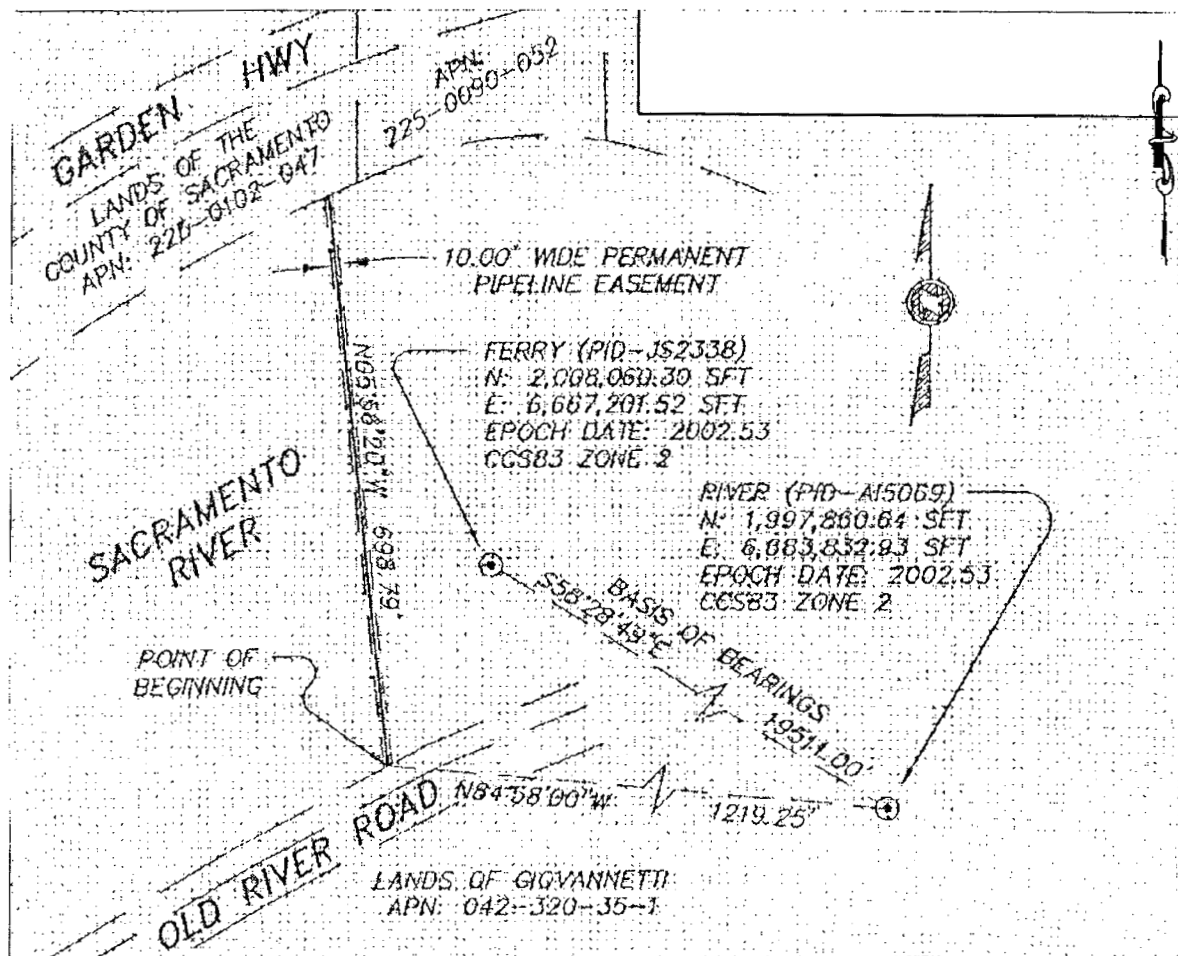
FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

1. AUTHORIZE THE AMENDMENT OF LEASE NO. PRC 8415.1, A GENERAL LEASE – RIGHT OF WAY USE, EFFECTIVE JUNE 26, 2006, TO MODIFY THE EXISTING LAND DESCRIPTION AS DESCRIBED IN EXHIBIT B ATTACHED AND BY REFERENCE MADE A PART HEREOF, TO CONFORM WITH THE ACTUAL AS-BUILT LOCATION; ALL OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.
2. AUTHORIZE EXECUTION OF THE DOCUMENT ENTITLED "AGREEMENT AND CONSENT TO ENCUMBRANCING LEASE" IN AN AMOUNT NO GREATER THAN \$6,000,000 ON FILE IN THE OFFICE OF THE COMMISSION, IN FAVOR OF COMERICA BANK AS SECURED PARTY LENDER, EFFECTIVE UPON THE APPROVAL OF THE NEW LOAN BY COMERICA BANK, BUT NO LATER THAN DECEMBER 31, 2006.

NO SCALE

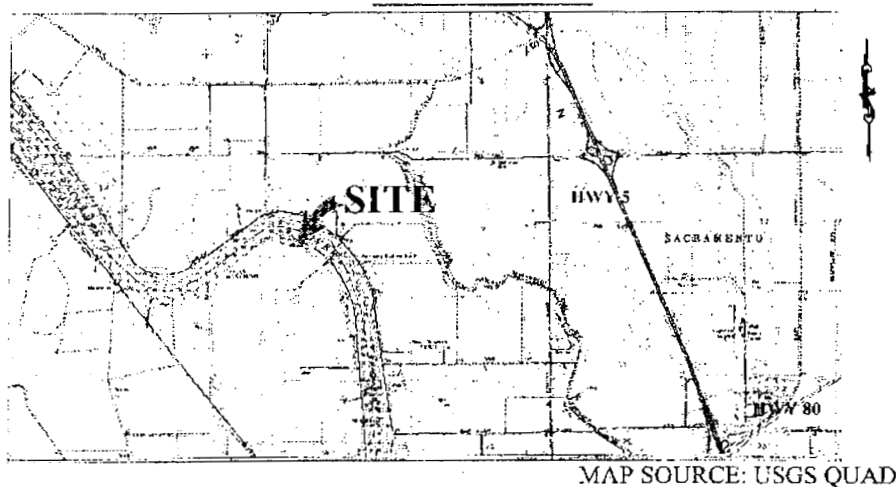
SITE



SACRAMENTO RIVER

NO SCALE

LOCATION



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit A

PRC 8415.1
APN:042-230-35-1, 225-0102-47
WICKLAND PIPELINES INC
GENERAL LEASE
RIGHT-OF-WAY USE
SACRAMENTO RIVER
SACRAMENTO & YOLO COUNTY



MJE 5/24/06

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**EXHIBIT B
LAND DESCRIPTION**

PRC 8415

A parcel of tide and submerged land situate in the unincorporated area of the Counties of Yolo and Sacramento, State of California, and being portions of the East half of Section 7 and the West half of Section 8, Township 9 North, Range 4 East, Mount Diablo Base and Meridian, being more particularly described as follows:

A strip of land being ten (10.00) feet wide and lying five (5.00) feet on each side of the following described centerline.

BEGINNING at the intersection of the right bank of the Sacramento River with said centerline; said point being distant the following two (2) courses and distances from National Geodetic Survey Designation "FERRY" (PID-JS2338): (1) South $58^{\circ}28'49''$ East 19,511.00 feet to National Geodetic Survey Designation "RIVER" (PID-AI5069); and (2) North $84^{\circ}58'00''$ West 1,219.25 feet; thence, from said POINT OF BEGINNING, and along said petroleum pipeline, North $05^{\circ}56'20''$ West 698.79 feet to a point on the left bank of the Sacramento River.

Excepting therefrom any portion lying landward of the ordinary high water mark of the Sacramento River.

Containing 6,988 square feet of land, more or less.

The basis of bearings for this description is the grid bearing between said National Geodetic Survey Designations "FERRY" and "RIVER". Said Designation "FERRY" having coordinates of North (Y) 2,008,060.30 feet and East (X) 6,667,201.52 feet. Said Designation "RIVER" having coordinates of North (Y) 1,997,860.64 feet and East (X) 6,683,832.93 feet. Said Designations having an epoch date of 2002.53. Said grid bearing being South $58^{\circ}28'49''$ East as determined from National Geodetic Survey Data Sheets.

All bearings and coordinates are grid and are based on the California Coordinate System of 1983 (CCS 83), Zone 2. All distances are ground. To obtain grid distances, multiply the distances herein described by the combination factor of 0.999944735.

End of description.

